



MEDIA RELEASE

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FOR IMMEDIATE RELEASE

DATE: December 15, 2017

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Water/Wastewater and User Fees Second Step in 2018 Budget Process

The Town of Fort Erie Council entered its second round of 2018 Budget deliberations during last week's Council-in-Budget Committee with a review of the Water and Wastewater Budget and User Fees.

The overall Water and Wastewater Budget increase for 2018 is 1.82 per cent which is a monthly increase of \$2.06 for the average household that uses 16 cubic metres of water per month.

Staff presented the 2018 Water and Wastewater Budget which included the following:

- Allocations of \$145,000 and \$182,000 to the water and sewer capital reserves using savings of matured debt to address the long-term infrastructure gap.
- The continuation of both the Water Emergency Relief Fund (WERF) which provides water bill assistance to low-income households as well as the Seniors Utility Relief Fund (SURF) which provides a \$100 water account credit to eligible applicants that receive the Federal Guaranteed Income Supplement.
- The largest impact relates to Regional treatment costs. The Region increased its net operating budget by 2.0 per cent and, when combined with the Town's increased treatment needs, results in a 2.25 per cent increase to the Town's annual Water and Wastewater budget.

"We don't have a great deal of latitude in our water and wastewater budget when 61 per cent of the bill to our residents is paid to the Region. We are legislated by the provincial government to implement a cost recovery water and wastewater program, which means those systems are paid for solely by the users of those services," said Mayor Wayne Redekop.

The Water and Wastewater Budget recovers costs by collecting 58 per cent of the average bill through base, or flat, monthly charges and 42 per cent from consumption rates. The base charge reflects costs that must be paid whether or not there are any water or sewage flows. This is due to the fixed nature of infrastructure required to deliver services and is impacted by a relatively low number of customers over a large geographical area in Fort Erie. The consumption charge is a variable cost that is directly related to the amount of treated water provided and includes labour, materials and services such as electricity and chemicals.

Council also considered the 2018 Fees and Charges report provided by staff. The amount a user pays is usually based on the costs of the services they are acquiring. During the Council-in-Budget Committee meeting, most of Council's discussion was aimed at development-related fees, noting however, that certain municipal fees have legislative requirements for cost recovery, such as the collection of fees under The Planning Act.

“The Town annually reviews fees and charges to help keep overall tax increases to a minimum and balance the recovery of related service costs with the impact these amounts have on users,” said Jonathan Janzen, Treasurer.

Council has authorized most fees to be increased annually based on the Ontario Consumer Price Index (CPI) to maintain affordable yet competitive user fees. The most recent CPI is 1.7 per cent.

The following highlights some changes that are not related to the annual CPI increase:

- Planning Application Fees – Staff recommended updating Engineering Plan Review application fees to reflect additional costs for more than four submissions.
- Service Connection Fees – The deposits have been increased for these fees to reflect the average actual increase over the years to perform this service.
- Non-Municipal Year Round Residential Systems – Staff included a new fee for owners of non-municipal water systems related to the legislated requirements to perform testing and reporting on these systems.

The Town’s Budget process continues in 2018 with the following meeting dates:

- January 10 – Library and Economic Development & Tourism Corporation
- January 22 – Water and Wastewater Budget By-law and Fees & Charges By-law
- January 24 (& 31 if necessary) – General Levy Operating Budget
- February 26 – General Levy & Capital Budget By-law

For further information about the 2018 Budget, visit www.forterrie.ca (Government > Budget & Finances). In addition, all Council-in-Budget Committee meetings are broadcasted live. An audio record of the meeting can be found on the Town’s website.